

Introduced by Senator Ridley-Thomas

February 23, 2007

An act to add and repeal Section 280.1 of the Public Utilities Code, relating to telecommunications.

LEGISLATIVE COUNSEL'S DIGEST

SB 757, as introduced, Ridley-Thomas. Telecommunications: California Teleconnect Fund Administrative Committee Fund: grant programs.

(1) Existing law establishes the California Teleconnect Fund Administrative Committee to advise the Public Utilities Commission regarding the commission's responsibilities for the development, implementation, and administration of a program to advance universal telephone service by providing discounted rates to qualifying schools, libraries, hospitals, health clinics, and community organizations. Existing law establishes the California Teleconnect Fund Administrative Committee Fund in the State Treasury, and provides that moneys in the fund, collected by telephone corporations in utility rates authorized by the commission and deposited into the fund, may only be expended for the purposes authorized, upon appropriation in the annual Budget Act. The annual Budget Act for 2003 provided for a loan of \$150,000,000 to the General Fund from the California Teleconnect Fund Administrative Committee Fund. Existing law provides for the repayment of that loan.

This bill would authorize the commission to establish, until January 1, 2014, a Community Based Supplemental Education Demonstration Grant Program and a Telemedicine Demonstration Grant Program, meeting certain requirements, with all funding for the programs coming from the moneys repaid to the fund from the moneys loaned by the fund

to the General Fund in the annual Budget Act of 2003. Awards under the grant programs would be for the purpose of providing advanced telecommunications network services to community technology programs and to public libraries, as defined, that deliver supplemental education services to pupils, and to health care facilities, as defined, that provide telemedicine services.

Under existing law, a violation of the Public Utilities Act or an order or direction of the commission is a crime.

Because the provisions of this bill would be a part of the act and because a violation of an order or decision of the commission implementing its requirements would be a crime, the bill would impose a state-mandated local program by creating a new crime.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 280.1 is added to the Public Utilities
2 Code, to read:
3 280.1. (a) Moneys paid to the California Teleconnect Fund
4 Administrative Committee Fund in repayment of the one hundred
5 fifty million dollar (\$150,000,000) loan to the General Fund made
6 pursuant to Item 8660-011-0493 of Section 2.00 of the Budget Act
7 of 2003 (Chapter 157 of the Statutes of 2003) shall be deposited
8 into the fund and, upon appropriation by the Legislature, may be
9 expended for the purpose of providing advanced
10 telecommunication network services to community technology
11 programs and to public libraries, that deliver supplemental
12 education services to pupils in grades 6 to 12, inclusive, and to
13 health care facilities that offer telemedicine services. Moneys
14 repaid to the fund shall not be expended for any purpose other than
15 as authorized by this section or Section 280.
16 (b) For purposes of this section, the following terms have the
17 following meanings:

1 (1) “Administering entity” means the entity selected pursuant
2 to subdivision (c).

3 (2) “Community college off-campus center” means a center
4 providing services and functions pursuant to Chapter 5
5 (commencing with Section 88530) of Part 52 of the Education
6 Code.

7 (3) “Community technology program” means a program that is
8 provided by a community-based organization that has tax-exempt
9 status pursuant to Section 501(c)(3) of the Internal Revenue Code
10 and is engaged in diffusing telecommunications technology in
11 local communities and training local communities in the use of
12 telecommunications technology, that otherwise would have no
13 access, or only limited access, to the Internet and other advanced
14 telecommunications technologies.

15 (4) “Health care facility” means a facility that has tax-exempt
16 status pursuant to Section 501(c)(3) of the Internal Revenue Code
17 and that provides health care services directly to patients, including,
18 but not limited to, a hospital, as defined in subdivision (a) of
19 Section 124840 of the Health and Safety Code, or located in a rural
20 Medical Study Area, as defined by the Office of Statewide Health
21 Planning and Development and in accordance with the most recent
22 census, a licensed primary care clinic, as defined in paragraph (1)
23 of subdivision (a) of Section 1204 of the Health and Safety Code,
24 a hospital outpatient department located in a health care shortage
25 area and certified as a Rural Health Clinic by the Secretary of
26 Health and Human Services, a tribal health clinic exempt from
27 state licensing pursuant to subdivision (c) of Section 1206 of the
28 Health and Safety Code, a diagnostic or treatment center, a
29 neuropsychiatric or mental health facility, a hospice, or a nursing
30 home.

31 (5) “Local educational agency” means a school district,
32 including each school within the district, or a county office of
33 education.

34 (6) “Online learning resources” means community technology
35 programs involved in activities that include one or more of the
36 following:

37 (A) Providing pupils with access to online courses in subject
38 areas required for graduation from middle school or high school.

1 (B) Providing pupils with access to online tutoring or to support
2 pupils' work in subject areas required for graduation from middle
3 school or high school.

4 (C) Providing pupils with a tutor that provides assistance with
5 accessing online information and digital resources for use as part
6 of homework assignments.

7 (D) Providing pupils with a tutor who will provide remedial
8 instruction using online resources.

9 (E) Preparing pupils for employment using online courses or
10 materials, or by enabling online collaboration with industry
11 professionals.

12 (F) Online coaching provided by high school or college
13 counselors or financial aid experts.

14 (G) Providing teachers with training in technology so they have
15 the capacity to assist students in accessing online resources.

16 (7) "Public library" means a library, or two or more libraries,
17 operated as a single entity by one or more public jurisdictions and
18 that serve the general public without distinction.

19 (8) "Telemedicine" means the practice of health care delivery,
20 diagnosis, consultation, treatment, transfer of medical data, and
21 education using interactive audio, video, or data communications.

22 (c) The commission, in consultation with the California
23 Teleconnect Fund Administrative Committee, may appoint a
24 third-party administrator, or more than one administrator, to
25 administer the grant programs that may be established under this
26 section. Any third-party administrator appointed by the commission
27 shall demonstrate all of the following:

28 (1) Experience working with low-income or underserved
29 communities.

30 (2) Knowledge about, and experience in, community technology
31 programs.

32 (3) The ability to implement a process for applying for and
33 recommending the awarding of grants that results in grants being
34 awarded based upon merit.

35 (4) Experience and responsibility in managing and administering
36 public trust or charitable funds.

37 (d) (1) Not more than five hundred thousand dollars (\$500,000)
38 per fiscal year may be expended for the state's administration
39 pursuant to this section.

1 (2) Upon notification by the commission, the Controller shall
2 pay all grant awards, for the purposes enumerated in this section
3 from the moneys appropriated pursuant to this section. The
4 eligibility of each award shall be determined by the commission,
5 consistent with any procedures or rules adopted by the commission
6 in consultation with the California Teleconnect Fund
7 Administrative Committee.

8 (e) (1) Upon the appropriation of moneys in the annual Budget
9 Act for the purposes of this section, the commission may establish
10 the Community Based Supplemental Education Demonstration
11 Grant Program to demonstrate the benefits of community
12 technology programs and public libraries that use the advanced
13 telecommunications networks of California's educational entities
14 to deliver supplemental educational services to pupils.

15 (2) Consistent with any procedures or rules established by the
16 commission, in consultation with the California Teleconnect Fund
17 Administrative Committee, the commission may provide
18 community technology programs and public libraries with grants
19 pursuant to the Community Based Supplemental Education
20 Demonstration Grant Program. Grants shall be awarded on the
21 basis of competitive merit, subject to criteria to be established by
22 the commission, in consultation with the California Teleconnect
23 Fund Administrative Committee. In any fiscal year in which a
24 grant is awarded, the amount of the grant shall cover a five-year
25 period. The criteria shall ensure that funds are widely disbursed,
26 and available to both urban and rural areas. Grants shall be awarded
27 to qualifying community-based organizations that are exempt from
28 taxation under Section 501(c)(3) of the Internal Revenue Code,
29 and public libraries, for the purpose of funding projects that
30 demonstrate the capacity for community technology programs and
31 public libraries to increase the academic achievement of pupils in
32 grades 6 to 12, inclusive, through the use of online learning
33 resources. Grants may be renewed on an ongoing basis, every five
34 years, provided that the community technology program or public
35 library can demonstrate that the program has contributed to the
36 academic achievement of pupils served.

37 (3) A community technology program or public library may
38 apply for and receive grants pursuant to the Community Based
39 Supplemental Education Demonstration Grant Program, to pay
40 costs associated with all of the following:

1 (A) All of the one-time costs for installing circuits, including
2 special construction charges that may be required by a service
3 provider, that transmit data at or above 1.54 megabits-per-second
4 between the site of a community technology program or public
5 library and a county office of education, a campus of the California
6 Community Colleges, a community college off-campus center, a
7 campus of the California State University, or a campus of the
8 University of California.

9 (B) Up to an additional 30 percent discount for the costs of the
10 qualifying services the public library or community technology
11 program is otherwise eligible to receive pursuant to this section
12 and Section 280.

13 (C) Up to 50 percent of the estimated cost of the qualifying
14 services that a campus of the California Community Colleges, a
15 community college off-campus center, a campus of the California
16 State University, or a campus of the University of California would
17 otherwise be eligible to receive if the campus were eligible to
18 receive discounts pursuant to Section 280 and had a 155 megabit
19 per second connection from the campus to the backbone network
20 used by local educational agencies and the higher education
21 segments, not including any costs related solely to telephone
22 service.

23 (4) Recipients of grants under the Community Based
24 Supplemental Education Demonstration Grant Program shall be
25 required, as a condition for the receipt of moneys under the
26 program, to annually report to the commission by January 1 of
27 each year, that information required by the commission to evaluate
28 the effectiveness of the program.

29 (5) The commission shall report to the Governor and the
30 Legislature by April 1 of each year, on the results of the
31 Community Based Supplemental Education Demonstration Grant
32 Program, including the effect of the program on broadband
33 subscription.

34 (6) The procedures and rules for awarding grants shall ensure
35 that the grants awarded do not exceed annual moneys available to
36 support the program and that no one applicant receive more than
37 25 percent of the designated program funds in a single fiscal year.

38 (7) Any costs associated with the Community Based
39 Supplemental Education Demonstration Grant Program shall only

1 be paid from the California Teleconnect Fund Administrative
2 Committee Fund.

3 (f) (1) Upon appropriation of moneys in the annual Budget Act
4 for the purposes of this section, the commission may establish the
5 Telemedicine Demonstration Grant Program to demonstrate the
6 benefits of health care facilities that use advanced
7 telecommunications networks of California educational entities
8 or other public networks to deliver telemedicine services.

9 (2) Consistent with any procedures or rules established by the
10 commission, in consultation with the California Teleconnect Fund
11 Administrative Committee, the commission may provide health
12 care facilities with telemedicine grants pursuant to the
13 Telemedicine Demonstration Grant Program. Grants shall be
14 awarded on the basis of competitive merit, subject to criteria to be
15 established by the commission, in consultation with the California
16 Teleconnect Fund Administrative Committee. In any fiscal year
17 in which a grant is awarded, the amount of the grant shall cover a
18 five-year period. The criteria shall ensure that funds are widely
19 disbursed, and available to both urban and rural areas. Grants shall
20 be awarded to a qualifying health care facility approved for
21 discounts pursuant to Section 280. Grants may be renewed on an
22 ongoing basis every five years, provided that the health care facility
23 can demonstrate effective utilization of telemedicine resources by
24 the local community.

25 (3) A qualifying health care facility may apply for and receive
26 grants pursuant to the Telemedicine Demonstration Grant Program,
27 to pay costs associated with all of the following:

28 (A) All of the one-time costs for installing circuits, including
29 special construction charges that may be required by a service
30 provider, that transmit data at or above 1.54 megabits-per-second
31 between the health care facility and a county office of education,
32 a campus of the California Community Colleges, a community
33 college off-campus center, a campus of the California State
34 University, or a campus of the University of California that agrees
35 to provide a gateway to the education network or to provide
36 telemedicine services as defined in Section 2290.5 of the Business
37 and Professions Code. The purpose of providing the gateway is to
38 provide the eligible health care facility access to
39 telecommunications services needed to provide telemedicine
40 services and to provide access to high-speed Internet services.

1 (B) Up to an additional 30-percent discount for the costs of the
2 qualifying services the health care facility is otherwise eligible to
3 receive pursuant to the higher of this section or Section 280.

4 (C) Up to 50 percent of the estimated cost of the qualifying
5 services that a campus of the California Community Colleges, a
6 community college off-campus center, a campus of the California
7 State University, or a campus of the University of California would
8 otherwise be eligible to receive if the campus were eligible to
9 receive discounts pursuant to Section 280 and had a 155
10 megabit-per-second connection from the campus to the backbone
11 network used by local educational agencies and the higher
12 education segments, not including any costs related solely to
13 telephone service.

14 (4) Recipients of grants under the Telemedicine Demonstration
15 Grant Program shall be required, as a condition for receipt of
16 moneys under the program, to annually report to the commission
17 by January 1 of each year, that information required by the
18 commission to evaluate the effectiveness of the program.

19 (5) The commission shall report to the Governor and the
20 Legislature by April 1 of each year, on the results of the
21 Telemedicine Demonstration Grant Program.

22 (6) The procedures and rules for awarding grants shall ensure
23 that the grants awarded do not exceed annual moneys available to
24 support the program and that no one applicant receives more than
25 25 percent of the designated program funds in a single fiscal year.

26 (7) Any costs associated with the Telemedicine Demonstration
27 Grant Program shall only be paid from the California Teleconnect
28 Fund Administrative Committee Fund.

29 (g) The commission may, when necessary to provide network
30 access pursuant to subdivision (e) or (f), reimburse local
31 educational agencies and California Community Colleges for the
32 one-time costs of installing new or enhancement of existing circuits
33 that transmit data at or above 1.54 megabits per second between
34 the local educational agency or California Community College
35 off-campus center and the appropriate access point to the backbone
36 network used by local educational agencies and the higher
37 education segments.

38 (h) The commission shall not increase the rates authorized by
39 the commission to fund the California Teleconnect Fund
40 Administrative Committee Fund above the rates in effect as of

1 June 30, 2005, in order to fund the programs authorized by this
2 section.

3 (i) This section shall remain in effect only until January 1, 2014,
4 and as of that date is repealed, unless a later enacted statute, that
5 is enacted before January 1, 2014, deletes or extends that date.

6 SEC. 2. No reimbursement is required by this act pursuant to
7 Section 6 of Article XIII B of the California Constitution because
8 the only costs that may be incurred by a local agency or school
9 district will be incurred because this act creates a new crime or
10 infraction, eliminates a crime or infraction, or changes the penalty
11 for a crime or infraction, within the meaning of Section 17556 of
12 the Government Code, or changes the definition of a crime within
13 the meaning of Section 6 of Article XIII B of the California
14 Constitution.